

1 JON G. BROOKS, ESQ. SBN: 217930
2 LAW OFFICES OF JON G. BROOKS
3 1900 The Alameda, Suite 520
4 San Jose, CA 95126
5 (408) 286-2766

6 Proposed Attorney for Debtor and Debtor-in-Possession,
7 CSS Fabrication, Inc.

8 UNITED STATES BANKRUPTCY COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN JOSE DIVISION

11 In Re:

12 CSS FABRICATION, INC.,
13 (a California corporation),

14 Debtor

BANKRUPTCY NO. 15-50795 MEH

CHAPTER 11

Date: March __, 2015

Time:

Room: 3070

16 **MOTION FOR**
17 **JOINT ADMINISTRATION OF CHAPTER 11 CASES**

18 CSS Fabrication, Inc., the above-captioned Debtor and Debtor-in-Possession
19 (“FAB”) hereby moves the Court for the entry of an order pursuant to Fed.R.Bank.Proc.
20 1015(b) that: (i) direct the joint administration of the Chapter 11 case with that of
21 Clement Support Services, Inc., (“CSS”) case number 15-50794 MEH (FAB and CSS are
22 collectively referred to as the “Debtors”) for procedural purposes only, and (ii) granting
23 certain related relief. In support of this Motion, the Debtor respectfully represents as
24 follows:

25 1. On March 10, 2015, CSS filed a voluntary petition under Chapter 11. No
26 trustee has been appointed and CSS remains a debtor-in-possession.

27 2. On March 10, 2015, FAB filed a voluntary petition under Chapter 11 and
28

1 assigned case number 15-50795 ("FAB Bankruptcy Case"). On March 11, 2015, the
2 Court entered an order transferring the FAB Bankruptcy Case to Judge Hammond. No
3 trustee has been appointed and FAB remains a debtor-in-possession.

4 3. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157
5 and 1334. This is a core proceeding pursuant to 28 U.S.C. §157(b)(2).

6 4. FAB and CSS are related entities. The CSS bankruptcy case was filed as a
7 related case to CSS pursuant to BLR 1015-1 and a notice of related cases was promptly
8 filed in both cases.

9 5. FAB was founded in 2009 by some of the founders of CSS, which began
10 business in 1990. FAB was founded to fill a void left when one of CSS's manufacturers
11 went out of business. FAB fabricates special supports for roof applications, and bridge
12 work as well as wastewater treatment plants.

13 6. CSS is engaged in, amount other things, the business of providing goods
14 and services in the plumbing and mechanical industries, including providing expertise in
15 seismic bracing and support of piping systems.

16 7. FAB and CSS are separate entities, with separate business models, while
17 sharing some overhead and senior management. By way of example, Mrs. Michelle
18 Clement, as Trustee of the family trust, is the President of FAB. Mrs. Clement, as
19 Trustee of the family trust, is 100% shareholder of FAB. Mr. Anthony Clement, as a
20 Trustee of his family trust, is the President of CSS and Vice-President of FAB. Mr.
21 Clement, as a Trustee of his family trust, is 100% shareholder of CSS.

22 8. FAB and CSS are co-borrowers in connection with a secured term loan
23 and line of credit obtained from Avid ("Avid") for business operations. The assets of both
24 FAB and CSS are pledged as collateral of Avid pursuant to those loan agreements.

25 9. The Debtors have pending before this Court virtually identical motions to
26 approve stipulations for use of cash collateral with their secured creditor Avid.

27 10. The Debtors request joint administration of their bankruptcy cases.
28 Among other things, joint administration of these Chapter 11 cases will permit the Clerk

1 of the Court to utilize a single general docket for the cases. The Debtors envision that
2 numerous notices, applications, motions, hearings and orders in these cases will affect
3 both Debtors. Joint administration will eliminate the need to prepare and file virtually
4 identical pleadings whenever Court approval is sought on matters which affect both
5 Debtors (such as the cash collateral motions, anticipated sale motion, etc.). Service of a
6 single motion, instead of service of two otherwise identical motions, is also less
7 confusing to creditors and will reduce the burden upon the Court and the Bankruptcy
8 Estates.

9 11. Joint administration will not prejudice the creditors of either FAB or CSS.
10 The books and records are sufficient to allow preparation of separate financial statements
11 if it would serve a constructive purpose. Further, the substantial reduction in
12 administrative expense that joint administration will provide will be of significant benefit
13 to creditors of both cases.

14 12. The Debtors request that a notice, substantially similar to that attached
15 hereto as Exhibit "A" be sent to all creditors and be filed in each of the Debtors' cases.
16 Once jointly administered, the Debtors propose to file pleadings only in the CSS case,
17 except insofar as (i) pleadings related to the filing of bankruptcy schedules, statement of
18 financial affairs and other initial pleading requirements and amendments thereto which
19 will be filed in the particular affected case; and (ii) the Debtors shall separately file and
20 serve monthly operating reports (pending agreement of the U.S. Trustee).

21 13. The Debtors further request that the following procedures be approved to
22 aid in the administration of these cases. First, that the Court authorizes the Clerk to
23 maintain a joint pleadings docket under the case number assigned to CSS. Second, the
24 Debtors request that the Court approve the use of a combined caption and that the
25 Debtors and other parties be authorized to combine notices to the Debtors' creditors.
26 Third, the Debtors further request authorization for joint handling of all other
27 administrative matters as appropriate.

28 14. Relief requested herein is limited to joint administration. Nothing

1 contained in this Motion is intended to compel substantive consolidation of the Debtors'
2 estates at this time. The requested relief will not prejudice any entity's substantive rights.
3 If substantive consolidation of the estates is later warranted, the Debtors will move the
4 Court separately for such relief by motion or pursuant to a proposed Chapter 11 plan.

5 15. Joint administration is an administrative and procedural device. See
6 generally, Reider v. FDIC (In re Reider), 31 F.3d 1102, 1109 (11th Cir. 1994). It is
7 distinct from substantive consolidation, and does not involve the substantive rights of
8 creditors of the estate. See Id., FRBP 1015.

9 16. As set forth in Collier on Bankruptcy, an order authorizing joint
10 administration contemplates the following relief:
11 (1) combining the estates by using a single docket for administrative matters,
12 including a listing of claims filed and the filing, lodging and docketing of
13 pleadings and orders;
14 (2) the combining of notices to creditors and parties in interest;
15 (3) the scheduling of hearings;
16 (4) joint financial reporting by the debtors;
17 (5) the joint and several liability of the estates for administrative expenses; and,
18 (6) the joint handling of other administrative matters.

19 See Collier on Bankruptcy, Forms 8.92-1, 8.92-4 and 8.92-5 reprinted in Collier on
20 Bankruptcy (15th ed. Rev. 2001), FRBP 1015, Advisory Committee Note (1983).

21 WHEREFORE, the Debtors respectfully request that the Court enter an order
22 providing:

- 23 A. That the Chapter 11 cases of Clement Support Services, Inc. and CSS
24 Fabrication, Inc. be jointly administered pursuant to FRBP 1015(b) with
25 Clement Support Services, Inc. designated as the lead case.
- 26 B. Joint administration of the cases shall include, without limitation, the
27 following:
28 (i) use of a single docket in Clement Support Services, Inc. for
administrative matters, particularly the filing, lodging and docketing of

1 pleadings and orders, except that (1) the filing of bankruptcy schedules,
2 statement of financial affairs and other initial pleading requirements and
3 amendments which will be filed in the particular affected case, and (2)
4 the Debtors shall separately file and serve monthly operating reports;
5 (ii) combined notices to creditors and parties in interest;
6 (iii) combined schedule of hearings;
7 (iv) The use of a combined caption, in the form of the caption attached
8 hereto as Exhibit "A"; and
9 (v) the joint handling of other administrative matters.

10 C. Notice of joint administration of the estates shall be separately filed and
11 docketed in each of the Debtors' cases and shall be served on all creditors
12 and parties-in-interest in each case substantially in the form of the
13 proposed notice attached hereto as Exhibit "A"; and,

14 D. For such other relief as the Court deems just and proper.

15 Date: March 11, 2015

LAW OFFICES OF JON G. BROOKS

17 /s/ Jon G. Brooks

JON G. BROOKS

Proposed Attorney for Debtor and
Debtor-in-Possession, CSS Fabrication, Inc.